

AMENDMENTS TO THE CLAIMS

This list of claims will replace all prior versions, and listings, of claims in the application.

Listing of Claims:

1. (Currently amended) A method of operating a financial instrument associated with a company, the method comprising:

providing a computer adapted to store information about at least one specified event which the company may experience during a predefined future time period;

storing at least one specified event on the computer;

establishing a financial instrument to include a first claim on a company at a first seniority level, the financial instrument being associated with a the predefined future time period and with one or more stored specified events which the company may experience during the period;

upon one of the specified events occurring during the period, transforming the first claim being transformable to a predefined second claim having a second seniority level lower than the first seniority level.

2. (Currently Amended) A method according to claim 1 in which the specified events comprise at least one of the following operating events (i) staff problems, (ii) organizational problems, (iii) problems in relationships with counterparts to contracts (iv) problems in relationships with counterparts in commercial arrangements, (v) technology problems, (vi) external environment problems, and (vii) natural disasters.

3. (Previously Presented) A method according to claim 1 or claim 2 which upon an event occurring which is alleged to be one of said specified events, said transformation is effected only upon verification by an independent party that a qualifying event has occurred.

4. (Previously Presented) A method according to claim 1 or claim 2 in which the second claim depends upon a value associated with the specified event which has occurred.

5. (Previously Presented) A method according to claim 3 in which the second claim depends upon a value associated with the specified event which has occurred.

6. (Previously Presented) A method according to claim 4 in which the difference in respective values of the first and second claims is a function of the value associated with the specified event which has occurred.

7. (Previously Presented) A method according to claim 5 in which the difference in respective values of the first and second claims is a function of the value associated with the specified event which has occurred.

8. (Currently Amended) A computer-based method of establishing a value of an instrument associated with a company comprising the steps of:

providing a computer adapted to store information about at least one specified event which a company may experience during a predefined future time period;

storing at least one specified event on the computer;

including a first claim on a the company at a first seniority level, attendant to a financial instrument being associated with a the predefined future time period and with one or more events which the company may experience during the period;

upon one of the specified events occurring during the period, providing for the transformation of the first claim to a predefined second claim having a second seniority level lower than the first seniority level;

obtaining a statistical model of the likelihood of occurrence of the specified event or events; and

deriving the value of the instrument using the statistical model and respective values of the first and second claims.

9. (Currently Amended) A computer system for establishing a value of an instrument associated with a company, comprising the steps of:

providing a computer adapted to store information about at least one specified event which the company may experience during a predefined future time period;

storing at least one specified event on the computer;

including a first claim on the company at a first seniority level attendant to a financial instrument being associated with a the predefined future time period and with one or more contingent events which the company may experience during the period;

upon one of the specified events occurring during the period, providing for the transformation of the first claim to a predefined second claim having a second seniority level lower than the first seniority level;

providing a statistical model of the likelihood of occurrence of the specialized event or events; and

deriving the value of the instrument using the statistical model and respective values of the first and second claims.